

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

E

W-01906A
East Slope Water Company
301 N. Garden Ave
Sierra Vista AZ 856350000

RECEIVED

JUL 26 2005

AZ Corporation Commission
Director Of Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2004
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FOR COMMISSION USE

ANN04	04
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COMPANY INFORMATION

Company Name (Business Name) <u>EAST SLOPE WATER CO</u>			
Mailing Address <u>301 N GARDEN AVE</u>			
<u>SIERRA VISTA</u> (City)		<u>AZ</u> (State)	<u>85635</u> (Zip)
<u>520 458-3209</u> Telephone No. (Include Area Code)		<u>520 439-9717</u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)
Email Address <u>eswater@theriver.com</u>			
Local Office Mailing Address _____			
_____ (City)		_____ (State)	_____ (Zip)
<u></u> Local Office Telephone No. (Include Area Code)		<u></u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)
Email Address _____			

MANAGEMENT INFORMATION

Management Contact: <u>NATHAN WATKINS</u>		<u>Manager</u>	
(Name)		(Title)	
<u>301 N Garden Ave</u>		<u>Sierra Vista</u>	<u>AZ 85635</u>
(Street)		(City)	(State) (Zip)
<u>520 458-3209</u>		<u>520-439-9717</u>	<u>520-266-1976</u>
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>eswater@theriver.com</u>			
On Site Manager: _____			
(Name)			
_____ (Street)		_____ (City)	_____ (State) (Zip)
<u></u> Telephone No. (Include Area Code)		<u></u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)
Email Address _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Bob Watkins
(Name)

301 N Garden Ave Sierra Vista AZ 85635
(Street) (City) (State) (Zip)

520 458-4388 520 459-7603 _____
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: N/A
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input checked="" type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME EAST SLOPE WATER CO.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	8,728	327	8,401
307	Wells and Springs	31,667	19,930	11,737
311	Pumping Equipment	220,364	168,790	51,574
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	143,303	134,643	8,660
333	Services			
334	Meters and Meter Installations	30,990	28,019	2,971
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	15,112	10,238	4,874
341	Transportation Equipment	53,938	27,101	26,837
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	6,373	6,323	50
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	510,475	395,371	115,104

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

EAST SLOPE WATER CO.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	8,728		327
307	Wells and Springs	31,667		0
311	Pumping Equipment	220,364		11,160
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	143,303		301
333	Services			
334	Meters and Meter Installations	30,990		725
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	15,112		992
341	Transportation Equipment	53,938		7,502
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	6,373		20
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	510,475		21,027

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

COMPANY NAME EAST SLOPE WATER CO.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 5,711	\$ 5,754
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	584	
146	Notes/Receivables from Associated Companies	13,114	13,114
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 19,409	\$ 18,868
	FIXED ASSETS		
101	Utility Plant in Service	\$ 462,373	\$ 510,475
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	374,343	395,371
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 88,030	\$ 115,104
	TOTAL ASSETS	\$ 107,439	\$ 133,972

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME EAST SLOPE WATER CO.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 47,743	\$ 0
232	Notes Payable (Current Portion)	17,000	17,000
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	6,136	6,836
236	Accrued Taxes	2,443	2,534
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	372	373
	TOTAL CURRENT LIABILITIES	\$ 73,694	\$ 26,743
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 102,076	\$ 95,634
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	32,427	32,703
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 32,427	\$ 32,703
	TOTAL LIABILITIES	\$ 208,197	\$ 155,080
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	< 100,758 >	< 21,108 >
	TOTAL CAPITAL	\$ < 100,758 >	\$ < 21,108 >
	TOTAL LIABILITIES AND CAPITAL	\$ 107,439	\$ 133,972

COMPANY NAME EAST SLOPE WATER CO.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 212,089	\$ 205,569
460	Unmetered Water Revenue		
474	Other Water Revenues	715	1,407
	TOTAL REVENUES	\$ 212,804	\$ 206,976
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 56,080	\$ 57,493
610	Purchased Water		
615	Purchased Power	39,102	39,610
618	Chemicals		
620	Repairs and Maintenance	10,900	12,134
621	Office Supplies and Expense	5,625	7,038
630	Outside Services	1,740	2,180
635	Water Testing	3,138	1,163
641	Rents	2,400	2,400
650	Transportation Expenses	6,361	6,443
657	Insurance – General Liability	3,002	4,414
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	4,329	5,959
403	Depreciation Expense	16,998	21,027
408	Taxes Other Than Income	5,902	6,360
408.11	Property Taxes	13,267	8,253
409	Income Tax	45	40
	TOTAL OPERATING EXPENSES	\$ 168,889	\$ 174,514
	OPERATING INCOME/(LOSS)	\$ 43,915	\$ 32,462
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		100,000
426	Miscellaneous Non-Utility Expenses		< 1,213 >
427	Interest Expense	< 18,576 >	< 59,474 >
	TOTAL OTHER INCOME/(EXPENSE)	\$ < 18,576 >	\$ 39,313
	NET INCOME/(LOSS)	\$ 25,339	\$ 71,775

COMPANY NAME EAST SLOPE WATER CO.

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	VARIOUS	VARIOUS		
Source of Loan	WELLS FARGO LINE OF CREDIT	NATHAN WATKINS		
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$ 86,535	\$	\$
Amount Outstanding	\$ 44,753	\$ 58,164	\$	\$
Date of Maturity				
Interest Rate	11.25%	10 %	%	%
Current Year Interest	\$ 5,541	\$ 6,139	\$	\$
Current Year Principle	\$ 2,420	\$ 5,861	\$	\$

Meter Deposit Balance at Test Year End

\$ 26 785

Meter Deposits Refunded During the Test Year

\$ 4944

COMPANY NAME EAST SLOPE WATER CO.

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-805786	20	80	549	8	3	1964
55-805787	20	100	560	8	3	1963
55-805788	7.5	40	620	12	2	1971
55-805789	75	300	802	10	4	1977
55-553576	3	40	120	6	N/A	1996
55-558167	3	50	160	6	N/A	1996
55-551665	5	40	175	6	N/A	1995
55-531502	2	30	275	6	N/A	1995

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	2	4	1

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
50,000	1	5,000	3
		3,000	1
		1,000	2
		85	4

COMPANY NAME EAST SLOPE WATER CO.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	14000
3	PVC	15000
4	AC/PVC	7000
5		
6	AC/PVC	24500
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	738
3/4	
1	15
1 1/2	4
2	3
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

Fences

OTHER:

Vehicles tools generator air compressors computers furniture

COMPANY NAME: EAST SLOPE WATER CO.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	731	6054	
FEBRUARY	729	5112	
MARCH	735	5770	
APRIL	734	5961	
MAY	732	6636	
JUNE	741	8549	
JULY	740	13082	
AUGUST	740	8654	
SEPTEMBER	748	7113	
OCTOBER	746	7705	
NOVEMBER	754	7035	
DECEMBER	758	5602	
TOTAL			

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (x) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (x) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. < 0.003 mg/l
(If more than one well, please list each separately.) All wells

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME EAST SLOPE WATER CO. YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 52,736

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

EAST SLOPE WATER COMPANY, INC.

301 N. GARDEN AVE.
SIERRA VISTA, ARIZONA 85635
(520) 458-3209

WELLS FARGO BANK
Sierra Vista Office
Sierra Vista, Arizona

91-527/1221

2702

4/5/2004

PAY TO THE ORDER OF **MARSHA BONHAM, COUNTY TREASURE**

\$ **6,339.85

Six Thousand Three Hundred Thirty-Nine and 85/100*****

DOLLARS

MARSHA BONHAM, COUNTY TREASURE
PO Box 1778
Bisbee AZ 85603

Wah Wah

MEMO

Par ID#98-933-36-870-8 Second Half 2003

⑈002702⑈ ⑆122105278⑆0911759827⑈

⑈0000633985⑈

EAST SLOPE WATER COMPANY, INC.

301 N. GARDEN AVE.
SIERRA VISTA, ARIZONA 85635
(520) 458-3209

WELLS FARGO BANK
Sierra Vista Office
Sierra Vista, Arizona

91-527/1221

2881

10/15/2004

PAY TO THE ORDER OF **MARSHA BONHAM, COUNTY TREASURE**

\$ ****7,305.45**

Seven Thousand Three Hundred Five and 45/100*****

DOLLARS

MARSHA BONHAM, COUNTY TREASURE
PO Box 1778
Bisbee AZ 85603

MEMO

Par ID#98-933-36-870-8 First Half 2004

Handwritten signature

⑈002881⑈ ⑆122105278⑆0911759827⑈

⑈0000730545⑈

COCHISE COUNTY TREASURER
Receipt for Redemption

Date: 11.30.2004 Time: 12:07:49

Page: 1
Cashier: BLE
Fee
Paid

Tax Year	Parcel	Portion	Princ Amount	Interest Paid	Penalty Paid	
1995	93336870008		14,831.13	18,587.86		30.00
1996	93336870008		11,804.54	14,794.63	590.23	
1997	93336870008		12,454.86	13,616.90	622.74	

Payment type: Check# 705272
87,332.89

Payment Received: \$ 87,332.89

Notes:

Received from:

EAST SLOPE WATER CO

301 N GARDEN AVENUE
SIERRA VISTA AZ 85635

REDEMPTION CERTIFICATE
COCHISE COUNTY
TREASURER'S OFFICE

11/30/2004

Cochise County, State of Arizona

I certify that the property identified below and located in Cochise County, Arizona,
which was sold for delinquent taxes for the year(s) 1995 - 1997 on

Certificate of Purchase No. 95929 on has been redeemed

by EAST SLOPE WATER CO by the payment to me of the

following sum of money, \$ 33,448.99, being the amount due as provided by law:


Parcel Identification No. 933.36.870.008

Year(s) Redeemed: 1995, 1996, 1997

Amount of Certificate of Purchase	14,831.13
Accrued Interest on Certificate	18,587.86
Subsequent Tax	.00
Interest on Subtax	.00
Redemption Certificate Fee	30.00
Reimbursement Costs	.00

Total Amount Paid	33,448.99

By


Deputy Treasurer

Date

Nov 30/2004

BT200 (9/03)

EAST SLOPE WATER CO

301 N GARDEN AVENUE
SIERRA VISTA AZ 85635

COMPANY NAME EAST SLOPE WATER CO.

YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 4,690
Estimated or Actual Federal Tax Liability _____State Taxable Income Reported 4,690
Estimated or Actual State Tax Liability 40

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Nath Watkins
SIGNATURE7-22-05
DATENATHAN WATKINS
PRINTED NAMEMANAGER
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

JUL 26 2005

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>COCHISE</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>NATHAN WATKINS</u>
COMPANY NAME	<u>EAST SLOPE WATER CO.</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2004</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 220,115

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 13,139

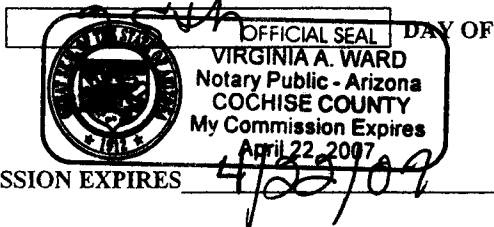
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



MY COMMISSION EXPIRES

Nathan Watkins
SIGNATURE OF OWNER OR OFFICIAL
520-438-3209
TELEPHONE NUMBER

COUNTY NAME	<u>Cochise</u>
MONTH	<u>July</u>
	<u>2005</u>

Virginia A Ward
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

JUL 26 2005

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>COCHISE</u>	
NAME (OWNER OR OFFICIAL) <u>NATHAN WATKINS</u>	TITLE <u>Manager</u>
COMPANY NAME <u>EAST SLOPE WATER CO.</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2004</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 189,180

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 11,540
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Nath Watkins
SIGNATURE OF OWNER OR OFFICIAL

520-458-3209
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

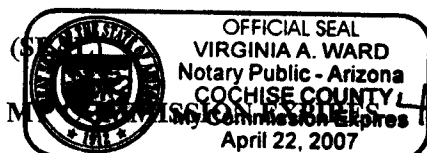
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

25th

DAY OF

NOTARY PUBLIC NAME <u>Virginia A Ward</u>	
COUNTY NAME <u>Cochise</u>	
MONTH <u>July</u>	YEAR <u>2005</u>



Virginia A. Ward
SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**